



**CONSOLIDATION OF  
ASSESSMENT AND  
TAXATION REGULATIONS  
AND  
PROPOSED AMENDMENTS**

CONSULTATION DOCUMENT AND QUESTIONNAIRE

Please review the proposed amendments and  
return your comments by November 15, 1999

**RETURN COMPLETED  
QUESTIONNAIRE TO:**

Alberta Municipal Affairs  
Municipal Services Branch  
Legislative Projects Unit  
17th Floor - 10155 102 Street  
Edmonton AB T5J 4L4  
Fax: (780) 420-1016  
Internet Address: [www.gov.ab.ca/ma](http://www.gov.ab.ca/ma)



September, 1999

Dear Stakeholder:

The Municipal Government Act and its regulations are the principal components of the legislative and regulatory framework guiding the operation of local government in Alberta. The department is committed to continually monitoring attendant regulations to ensure that the best possible framework exists for the preparation of municipal assessment and tax.

In accordance with this commitment, the department is currently reviewing a number of assessment and taxation regulations. The Linear Property Tax Rate Regulation 369/94 will no longer be required and therefore will be repealed.

The consultation document proposes to streamline the assessment process through the consolidation of these regulations and provides a number of proposed amendments to address issues and concerns raised by stakeholders.

In response to numerous stakeholder requests, the department is pleased to provide stakeholders the opportunity to view and respond to these consultation documents and future documents in an electronic format. The consultation documents are available electronically on the Alberta Municipal Affairs home page at [www.gov.ab.ca/ma/](http://www.gov.ab.ca/ma/) under the selection "Consultation Interface".

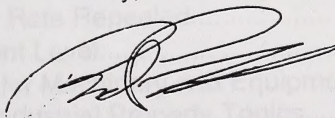
Your opinions and comments regarding the consolidation of these assessment and taxation regulations are welcome and important to us.

Please forward your comments by **November 15, 1999**, to:

Alberta Municipal Affairs  
Municipal Services Branch  
Legislative Projects Unit  
17<sup>th</sup> Floor, Commerce Place  
10155 - 102 Street  
EDMONTON, AB T5J 4L4  
Fax: (780) 420-1016  
Electronic: [www.gov.ab.ca/ma/](http://www.gov.ab.ca/ma/)

Thank you for your participation in the regulatory review process.

Sincerely,



Brad Pickering  
Assistant Deputy Minister



September 1999

For further information, please contact:

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Sincerely,



Brian Pichong  
Assistant Deputy Minister

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Organizational Chart of Industrial Definitions



# Introduction







## INTRODUCTION

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This consultation document proposes the consolidation of the following five assessment regulations into a single regulation:

1. Standards of Assessment (AR 365/94)
2. Assessment Equalization (AR 366/94)
3. Assessable Property (AR 367/94)
4. Property Tax Exemption (AR 368/94)
5. Linear Property Tax Rate (AR 369/94)

The consolidating of these regulations is intended to simplify the assessment process for all stakeholders by creating a concise regulation that outlines the assessment valuation standards for all properties. In addition to consolidation, the proposed regulation includes changes to some definitions which may result in some reclassifications for certain unique properties.

Many of the proposed amendments, if adopted, will not come into force until legislative changes are implemented and a review of the effects is completed.

Please note that where the wording of the proposed definitions or other provisions of the proposed regulation is provided, this information is numbered as it appears in the proposed consolidation. Refer to Appendix 1, the proposed Consolidation of Assessment and Taxation Regulations, to view the entire proposed consolidation in sequential order. Where possible, wording changes are provided in bold text.

## **STRUCTURE OF THE CONSULTATION DOCUMENT**

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This consultation document has been developed to help you review the proposed consolidation of five assessment regulations. It allows you to comment on the changes being considered by the Local Government Services Division. Please review the concepts and proposals and provide written comments before November 15, 1999.

This paper deals with preliminary proposals. Comments and suggestions received from stakeholders may result in revised proposals which, when drafted into a regulation, may be significantly changed from what is presented.

Proposed amendments to definitions and concepts will be considered by subject matter. This document is broken into the following subject specific sections.

### **1. Introduction**

- a) Structure of Consultation Document
- b) Reference Icons
- c) Finding Your Way Through Legislation
- d) MLA Committees

### **2. Agriculture**

- a) Background Information
- b) Definitions
- c) Regulatory Amendments
- d) Stakeholder Comments

### **3. Industrial Property**

- a) Background Information
- b) Definitions
  - Industrial Property
  - Electrical Power System
  - Oil and Gas System
  - Other Industrial System
  - Railway System
  - Street Lighting System
  - Telecommunication Systems
  - Well-site Lease Interest
  - Linear
  - Machinery and Equipment
- c) Regulatory Amendments
  - Linear
  - Machinery and Equipment
- d) Stakeholder Comments

### **4. Equalized Assessment**

- a) Background Information
- b) Regulatory Sections
- c) Stakeholder Comments

### **5. General Topics, Expiry, Transition and Coming into Force**



## REFERENCE ICONS

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For ease of reference, the following icons will appear on the bottom outside corner of each page where the issue is discussed.



**Agriculture**



**Industrial Property**



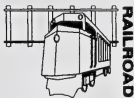
**Electrical Power Systems**



**Oil and Gas Systems**



**Other Industrial System**



**Railway Systems**



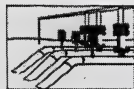
**Street Lighting System**



**Telecommunication Systems**



**Well-site Lease Interest**



**Linear**



**Machinery and Equipment**



**Equalized Assessment**



**The open book icon will appear where wording for proposed amendments is provided.**

## **FINDING YOUR WAY THROUGH LEGISLATION**

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Legislative statutes or acts are laws made by government. Often, acts delegate legislative powers to ministers, departments, or other bodies. These bodies are empowered within certain limits to create 'subordinate' legislation. Subordinate legislation may be in the form of regulations, orders-in-council, bylaws, or ordinances. Regulations have the same legal effect as an act, that is, they are both law. Regulations are subordinate to acts and therefore cannot go beyond the scope of an act except in special circumstances when directed by statute. Regulations are generally created to provide further clarification of an act by providing specific instructions or directions.

The same conventions for reading acts also apply to regulations. Each may be divided into parts and further into divisions, sections, subsections, clauses, and sub-clauses. Summary notes are located in the left-hand margin for reference purposes only, as they exist to identify the section. They do not form part of the legislation.

Both acts and regulations generally provide definitions of words used within the document that may be unclear or different from their conventional meanings. Words defined in an act have the same meanings in the associated regulations unless otherwise noted or modified.

## **MLA COMMITTEES**

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Over the last number of years, three MLA committees were created by the former Minister of Municipal Affairs to review assessment and taxation issues relating to regulated agricultural property, regulated industrial property, and the education property tax system.

The MLA Farm Property Assessment Review Committee was directed to review assessment and taxation issues pertaining to agricultural operations. A number of new definitions were created as a part of this review.

The MLA Industrial Review Committee was directed to review issues relating to regulated industrial property. The Committee was to consider stakeholder feedback and concerns and make recommendations on the future of industrial property assessment.

The MLA Education Tax Review Committee was created to review the manner in which education taxes are collected in Alberta and to make recommendations on improvements to the education property tax system.

Many of the committees' recommendations have been incorporated as proposals in the consultation document.



# Agriculture







# AGRICULTURE

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## BACKGROUND INFORMATION

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In the summer of 1997, the former Minister of Municipal Affairs established an MLA Committee to review a number of issues related to how farm property is assessed and taxed across the province. A discussion paper was distributed and public consultation sessions held across the province in the fall of 1998. The Committee used the results of the consultation process to develop recommendations for the Minister of Municipal Affairs to review.

In general terms, the Committee concluded that there is strong support for maintaining productive value as the basis for assessing farm land in rural areas. It was also noted that the regulated rates should be updated on a more regular basis. During the review of definitions, a clearer definition of farming operations was developed to clarify some of the particular aspects of farming operations.

As a result, it is proposed that a new definition be added to the proposed consolidated regulation to reflect the Committee's recommendations. Additionally, a number of proposed amendments to the assessment provisions, specifically pertaining to woodlots and farm buildings, should be noted.



## DEFINITIONS

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The MLA Farm Property Assessment Review Committee developed a new definition to clarify the use of property eligible to be designated as farm land for the purposes of assessment and taxation. The new definition ensures that only primary agricultural uses of property receive the required assessment or tax exemptions.

The proposed definition was presented to the former Minister of Municipal Affairs, who reviewed the Committee's recommendations and presented its findings to the Standing Policy Committee (SPC) on Agriculture and Rural Development. SPC, Cabinet, and Caucus approved the concepts for release to the public for their consideration.

### DEFINITIONS OF 'AGRICULTURE USE VALUE' AND 'FARM BUILDING'

The following definitions for agricultural use value and farm building are presently in the Standards of Assessment Regulation 365/94.



*"agricultural use value" means the value of a parcel of land based exclusively on its use for farming operations.*



*"farm building" means any improvement other than a residence, to the extent it is used for farming operations.*

***Due to their continued relevance, it is proposed that the definitions for both "agricultural use value" and "farm building" be maintained as they presently exist in the Standards of Assessment Regulation 365/94.***

### DEFINITION OF 'FARMING OPERATIONS'

All land other than regulated farm land and well-sites is assessed on the basis of its market value. Concerns continue to be raised that if farm land is to be valued on the basis of its agricultural use value, there must be a clear definition of what constitutes a farming operation.

The MLA Farm Property Assessment Review Committee recommended a new definition of farming operations to clarify which uses qualify property as farm land for the purposes of assessment and taxation. The following definition of farming operations was prepared based on the Committee's recommendation.







*"farming operations" means the raising or production of primary agricultural commodities on a for profit basis and includes such raising or production by non-profit organization or the Crown whether the commodities are sold for profit or other consideration including*

- (i) field crops in their unprocessed state,*
- (ii) including sod, horticulture, silviculture, flowers and nursery stock in bulk or unpackaged lots,*
- (iii) fish farming, fur farming and bee keeping with all production sold in its raw, ungraded and/or unprocessed state,*
- (iv) the raising of livestock as defined in the Livestock and Livestock Products Act in a live condition and the production of livestock products including milk, pregnant mare urine, antler, embryos and semen production,*

*but does not include property used for the maintenance of livestock or other animals for recreational purposes;*

- (v) woodlots on a parcel, or designated part of a parcel, of land for which an approved management plan has been prepared by an Alberta registered forest practitioner as defined under the Forestry Profession Act and implemented solely for the sustainable production of timber and marketed as whole logs,*
- (vi) the storage of*
  - (A) primary agricultural commodities on property held by the person carrying out the farming operations,*
  - (B) the storage, on property held by the farm operator, of production inputs, including farm machinery required for the production of primary agricultural commodities and any action required for their storage at industry standards,*

*but does not include property used for the storage and/or distribution of any commodity that has been awarded a grade standard,*

- (vii) any property to the extent it is used to ensure an industry standard action for the sole purpose of*
  - (A) maintaining product quality of a primary agricultural commodity,*
  - (B) producing silage from forage,*

*but does not include the compacting and or packaging of any forage commodity to a density of greater than 20 pounds per cubic foot,*

*but does not include the use of a property to the extent it is used for:*

- (A) the retailing of goods or services for a fee or other consideration,*
- (B) the grading by awarding a quality standard established pursuant to an Act or Regulation of Alberta or Canada pertaining to the specific agricultural commodity, processing or packaging of a primary agricultural commodity for the domestic or export market,*
- (C) the purchase and resale of primary agricultural commodities by a licenced agricultural commodity dealer.*

The proposed definition creates a clear separation between raising and producing agricultural commodities and retailing the commodities. Any property used in retailing goods and services, to store and or distribute a commodity that has been graded, or for maintaining livestock or other animals for recreational purposes is not considered part of a farming operation. Property that does not qualify as a farming operation would be assessed on the basis of its market value.

The MLA Farm Property Assessment Review Committee recommended that woodlots should be included as a use of property that qualifies as a farming operation. A woodlot would be assessed on the basis of its productive value as a woodlot, in a similar fashion to all other farm property.

***It is proposed that the definition provided above be adopted as the definition for "farming operations".***



## DEFINITION OF 'OWNER'

It is proposed that a minor amendment be made to the definition of owner, that is presently part of the Property Tax Exemption Regulation 368/94.



*"owner", in respect of a parcel of land for the purpose of Part 4 of this regulation, means*

- i) *the person who is registered under the Land Titles Act as the owner of the fee simple estate in the parcel or the spouse of that person,*
- ii) *a person who holds the parcel under a lease, licence or permit from*
  - (a) the federal crown;*
  - (b) the provincial crown; or*
  - (c) the municipal crown;**or a person who occupies the parcel with the consent of that holder, and*
- iii) *a person who is purchasing the parcel from the person referred to in subclause (i).*

To help prevent inconsistencies in its application, the term Crown has been further clarified to include the federal, provincial, and municipal crown.

***It is proposed that the definition provided above be adopted as the definition for "owner".***

## DEFINITION OF 'UNIT'

The following definition of unit is presently part of the Property Tax Exemption Regulation 368/94.



*"unit" means any number of parcels of land or parts of parcels, or both, that are owned by the same owner on December 31 of the year preceding the year in which the exemption in section 2 applies.*

***Due to its continued relevance, it is proposed that the definition for "unit" be maintained as it presently exists in the Property Tax Exemption Regulation 368/94.***





## REGULATORY AMENDMENTS

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A number of proposed regulatory changes have been included in the proposed consolidated regulation. These changes are of both a clarifying and amending nature.

Additionally, many regulatory sections are included in the proposed consolidated regulation without amendment. Stakeholders are invited to comment on both the proposed amendments and non-amended sections.

### ASSESSABLE PROPERTY

This section formerly appeared in the Assessable Property Regulation (367/94). It is proposed that a minor change be made to the section to add the term "urban service area of a specialized municipality" to the types of municipalities in which an assessment must be prepared for farm buildings.

The addition of "specialized municipality" is intended to encompass farm buildings located near or within the limits of the urban service area of a specialized municipality. A change in the level of tax exemption provided for these improvements is considered in section 14(c) of the consolidated regulation.

The wording therefore would be similar to the following:



*2(1) For the purposes of section 298(y) and (z) of the Act, an assessment must be prepared for the following property:*

*(a) any farm building located in a city, **urban service area of a specialized municipality**, town, village or summer village.*

***It is proposed that "urban service area of a specialized municipality" be added to the types of municipalities in which an assessment must be prepared for farm buildings.***



## VALUATION STANDARD FOR A PARCEL OF LAND

A minor amendment to the valuation standard for a parcel of land is proposed. The valuation standard is part of the Standards of Assessment Regulation (365/94). The proposed amendment specifies that market value is the valuation standard for an area of three acres or more that can be serviced by using water and sewer distribution lines located in the parcel of land.

The term "farming operation" is used in section 3(1)(c). Please note that a proposed change to the following definition of farming operation will affect the way this section is applied.



3(1) *The valuation standard for a parcel of land is:*

- (a) *market value;*
  - (b) *if the parcel is used for farming operations, agricultural use value; or*
  - (c) *unless the land is a parcel used for farming operations, in which case the valuation standard in section 3(1)(b) applies to the land.*
- (2) *In preparing an assessment for a parcel of land based on agricultural use value, the assessor must follow the procedures set out in the Alberta Farm Land Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.*
- (3) *Despite subsection (1)(b), the valuation standard for the following property is market value:*
- (a) *a parcel of land containing less than one acre;*
  - (b) *a parcel of land containing at least one acre but not more than 3 acres that is used but not necessarily occupied for residential purposes or can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;*
  - (c) *an area of 3 acres located within a larger parcel of land where any part of the larger parcel is used but not necessarily occupied for residential purposes;*
  - (d) *an area of 3 acres that*
    - (i) *is located within a parcel of land, and*
    - (ii) *can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;*
  - (e) *any area that*
    - (i) *is located within a parcel of land,*
    - (ii) *is used for commercial or industrial purposes, and*
    - (iii) *cannot be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;*
  - (f) *an area of 3 acres or more that*
    - (i) *is located within a parcel of land,*
    - (ii) *is used for commercial or industrial purposes,*
    - (iii) *can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel, and*
    - (iv) *can be serviced by using water and sewer distribution lines located in the parcel of land.*
- (4) *An area referred to in subsection (3)(c), (d), (e) or (f) must be assessed as if it is a parcel of land.*
- (5) *The valuation standard for strata spaced, as defined in section 87 of the Land Titles Act, is market value.*

***It is proposed that a clarifying amendment be included to specify that market value is the valuation standard for an area of three acres or more that can be serviced by using water and sewer distribution lines located in the parcel of land.***





## VALUATION STANDARD FOR IMPROVEMENTS

Section 4(2), as presented below, requires an assessor to determine the value of a farm building based on its use in a farming operation. Please note that proposed changes to the definition of "farming operations," as discussed earlier in this document, may affect the valuation of certain improvements.



4(1) *The valuation standard for improvements is:*

- (a) *the valuation standard set out in section 5, 6 or 7, for improvements referred to in those sections;*
  - (b) *for other improvements, market value; or*
  - (c) *unless the improvement is linear property or machinery and equipment, in which case the valuation standard in section 6 or 7, as the case may be, applies to the improvement.*
- (2) *In preparing an assessment for a farm building, the assessor must determine its value based on its use for farming operations.*

***Due to its continued relevance, it is proposed that the valuation standard for improvements be maintained, with referential amendments as required.***

## ACTIONS TAKEN UNDER THE MUNICIPAL GOVERNMENT ACT

The following, section 8 of the proposed consolidated regulation, is from the Standards of Assessment Regulation 365/94.



8 *When a property is used for farming operations or residential purposes and an action is taken under Part 17 of the Act that has the effect of permitting or prescribing for that property some other use, the assessor must determine its value*

- (a) *in accordance with its residential use, for that part of the property that is occupied by the owner or the purchaser or the spouse or dependent of the owner or purchaser, and is used exclusively for residential purposes, or*
- (b) *based on agricultural value, if the property is used for farming operations, unless section 3(3) applies.*

***Due to its continued relevance, it is proposed that actions under the Municipal Government Act be maintained.***



## PROPERTY TAX EXEMPTION LEVEL

Section 14 of the proposed consolidated regulation contains the substance of the Property Tax Exemption Regulation 368/94.

This section describes the level of property tax exemption provided for a single residence and additional residences located on farm land in a rural municipality and farm buildings located in an urban municipality. As the MLA Committee is in the process of reviewing the exemptions provided to both single and additional residences located on farm land in a rural municipality, no changes are proposed.

Three changes are proposed to the subsection dealing with farm buildings located in an urban municipality. The first proposed change is to add "urban service area of a specialized municipality" to the list of municipalities in which farm buildings are only partially property-tax exempt.

The level of tax exemption provided to farm buildings located in urban municipalities is being considered for amendment. Currently, these types of improvements are taxed to 50 percent of their assessment. Stakeholders are invited to comment on the level of exemption these improvements should receive. Options include leaving the exemption at 50 percent or changing the exemption to 40 percent, 30 percent, 20 percent or 10 percent of its assessment, or removing the exemption completely.

The last amendment under consideration would allow a municipality the ability to pass a bylaw making any farm building in a city, town, village, summer village, or urban service area of a specialized municipality that is exempt from taxation, subject to taxation to whatever extent the council considers appropriate. The bylaw has no effect until one year after it is passed.







14(1) The following are exempt from taxation under Division 2 of Part 10 of the Act:

- (a) one residence in a unit, if the residence is
    - (i) situated in a county, municipal district, improvement district or special area, and
    - (ii) situated on a parcel of not less than one acre, to the extent of the assessment, based on agricultural use value, for the land in the unit, to a maximum of \$61,540;
  - (b) each additional residence in the unit, if the residence is
    - (i) situated in a county, municipal district, improvement district or special area,
    - (ii) situated on a parcel of not less than one acre, and
    - (iii) used chiefly in connection with farming operations, to the extent of the assessment, based on agricultural use value, for the land in the unit that remains after the exemption is made under clause (a), to a maximum of \$30,770 for each residence;
  - (c) any farm building in a city, town, **urban service area of a specialized municipality**, village or summer village, to the extent of (50%, 40%, 30%, 20%, 10% or 0%??) of its assessment.
- (2) A council may by bylaw make any property that is exempt from taxation under subsection (1)(c) subject to taxation to any extent the council considers appropriate.
  - (3) A council proposing to pass a bylaw under subsection (2) must notify, in writing, any person or group that will be affected of the proposed bylaw.
  - (4) A bylaw under subsection (2) has no effect until one year after it is passed.

**It is proposed that the exemption level for both a single residence and additional residences located on farm land in a rural municipality be maintained as currently outlined in the Property Tax Exemption Regulation 368/94.**

**It is proposed that "urban service area of a specialized municipality" be added to the list of municipalities in which farm buildings are only partially property-tax exempt.**

**Stakeholders are invited to comment on the most appropriate level of property-tax exemption provided to farm buildings in urban areas.**

**It is proposed that a municipality may, by bylaw, make any farm building that is exempt from taxation subject to taxation to the extent council considers appropriate. The building may be located in a city, town, village, summer village, or urban service area of a specialized municipality.**







**PROPOSED CONSOLIDATION OF ASSESSMENT AND TAXATION REGULATIONS  
STAKEHOLDER COMMENTS - AGRICULTURAL TOPICS**

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Respondent: \_\_\_\_\_

Position: \_\_\_\_\_

Representing: \_\_\_\_\_

**Please provide your comments to the following questions:**

1. Should the definitions for "agricultural use value" and "farm building" be maintained in their current form? If not, why?

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2. Should the definition of "farming operations" be adopted as suggested? If not, why?

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3. Should the definition of "owner" be adopted as suggested? If not, why?

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4. Should the definition of "unit" be adopted as suggested? If not, why?

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5. Should the preparation of an assessment for a farm building located in a specialized municipality be required? If not, why?

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6. Should the valuation standard for land be amended to specify that market value is the valuation standard for an area of more than three acres that can be serviced by using water and sewer distribution lines located in the parcel of land? If not, why?

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7. Should the valuation standard for improvements be maintained in its current form? If not, why?

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8. Comment on the exemption level currently provided to single and additional residences located on farm land in a rural municipality.

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9. Should 'urban area of a specialized municipality' be added to the list of municipalities in which farm buildings are taxed on a portion of their assessed value? If not, why?

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10. What level should farm buildings located in a city, town, urban area of a specialized municipality, village or summer village be exempt from property tax (50 percent, 40 percent, 30 percent, 20 percent, or 10 percent of their assessed value) or should the exemption be completely removed?

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11. Should a municipality have the ability to pass a bylaw to make any farm building in a city, town, village, summer village, or urban service area of a specialized municipality that is exempt from taxation, subject to taxation to whatever extent the council considers appropriate? If not, why?

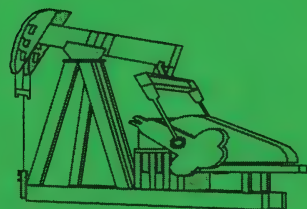
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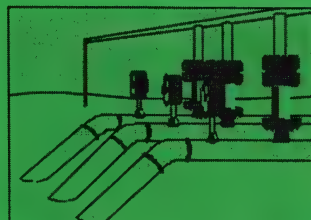
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# Industrial Property



RAILROAD







# **INDUSTRIAL PROPERTY**

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## **BACKGROUND INFORMATION**

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In the summer of 1997, former Minister of Municipal Affairs Iris Evans established a MLA Committee to review issues pertaining to regulated industrial property, taking stakeholder feedback into consideration. The Committee was to make recommendations on the future of industrial property assessment.

The Committee made a number of recommendations which were broken into two distinct groups: those related to the ongoing business responsibilities and administrative functions of Alberta Municipal Affairs, and those that may require change to legislation or government policy.

In developing amendments to this proposed consolidated regulation, it is suggested that a number of the recommended legislative changes be included. These changes include:

1. All regulated industrial property that has the same utility and characteristics, such as electric power systems and telecommunication systems, should be clearly defined as one type of property, and similar industrial property should be assessed in the same manner;
2. Railway should be defined as linear property but the valuation standard should be maintained as a regulated value; and
3. The existing 77 percent statutory assessment level applied to machinery and equipment should be rescinded for the 1999 tax year.

## DEFINITIONS

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Upon examining the definitions of linear property and machinery and equipment, the MLA Committee found a number of inconsistencies. Linear property and machinery and equipment are both defined as improvements. Linear property may be included in machinery and equipment. Furthermore, identical property types may be assessed and taxed differently depending on how they are defined.

It is not clear if similar types of property, such as electric power systems and telecommunications systems, are intended to be defined and assessed differently. Both of these systems are included in the definitions of linear property and machinery and equipment. The MLA Committee felt that this overlap caused confusion as to how property should be assessed.

Due to the complexity and confusion in definitions, the MLA Committee noted the probability that components of some properties in the province are not assessed at all because there is uncertainty as to who is responsible for the assessment. The MLA Committee is confident that the assessment system would be simpler and easier to understand if similar types of property with similar characteristics were clearly defined as one class of property.

As a result of this recommendation, definitions for the following systems have been adapted to clearly identify the difference between linear, machinery and equipment and other assessment classes of property. Appendix 7 contains an organizational chart which details to the relationships between the industrial definitions.

1. Industrial Property
2. Electrical Power System
3. Oil and Gas System
4. Other Industrial System
5. Railway System
6. Street Lighting System
7. Telecommunication System
8. Well-site Lease Interest
9. Linear Property
10. Machinery and Equipment

A discussion of the suggested definitions for the aforementioned systems follows. Also discussed are regulatory changes to the assessment of railway, linear, and machinery and equipment property.



## DEFINITION OF 'INDUSTRIAL PROPERTY'

The following definition for industrial property is new:



*"industrial property" means*

- (i) *an electric power system,*
- (ii) *an oil and gas system,*
- (iii) *an other industrial system,*
- (iv) *a railway system,*
- (v) *a street light system,*
- (vi) *a telecommunication system, and*
- (vii) *a well-site lease interest,*

*whether or not the industrial property is affixed to the land in such a manner that it would be transferred without special mention by a transfer or sale of the land.*

The definition is intended to encompass property that may be either linear property or machinery and equipment in nature under the following systems: electric power, oil and gas, other industrial, railway, street lighting, telecommunications and well-site lease. Each of these systems are also defined separately.

Should the proposed definition be adopted, it will not come into force until a legislative amendment providing a directive clause to the regulation is added to the Municipal Government Act.

***It is proposed that the definition provided above be adopted as the definition for "industrial property".***

## DEFINITION OF 'INDUSTRIAL PROPERTY SUBJECT TO THE REGULATORY AUTHORITY'

The following definition for industrial property subject to the regulatory authority would be comprised of all regulated industrial property:



*"industrial property subject to the regulatory authority" means any part of*

- (i) *industrial property owned or operated by a person whose rates are controlled or set by the Public Utilities Board or by a municipality or under the Small Power Research and Development Act, or*
- (ii) *industrial property owned or operated by a company as defined in Part 3 of the Telecommunications Act or that are subject to the regulatory authority of the Canadian Radio-Television and Communications Commission or any successor of the Commission.*

These properties are defined separately from industrial property in order to accommodate current tax policy. This separate definition for regulated properties would be necessary should it be determined that a different tax policy should apply to some regulated properties.

***It is proposed that the definition provided above be adopted as the definition for "industrial property subject to the regulatory authority".***



## DEFINITION OF 'ELECTRIC POWER SYSTEM'

The following definition for electric power system is new:



*"electric power system" means linear property and machinery and equipment intended for or used in connection with the generation, transmission, or distribution of electricity, but does not include*

- (i) linear property or machinery and equipment installed in and owned by the owner of a building to which the electric power services are being supplied, or*
- (ii) a parcel of land, buildings or a parcel of land and the buildings.*

It is intended to provide an overall definition encompassing all components of an electric power system. Components of the electric power system are further defined in the Minister's Guidelines for either linear property or machinery and equipment.

Should the proposed definition be adopted, it will not come into force until the definition of linear property is repealed in the Municipal Government Act.

***It is proposed that the definition provided above be adopted as the definition for "electric power system".***

## DEFINITION OF 'OIL AND GAS SYSTEM'

The following proposed definition for oil and gas system is intended to include all components of an oil and gas system:



*"oil and gas system" means linear property and machinery and equipment intended for or used in connection with the production, gathering, transmission or distribution of oil, gas, coal, oil sands, and natural resources, but does not include a parcel of land, buildings or a parcel of land and the buildings.*

Components of the oil and gas system are further defined in the Minister's Guidelines for either linear property or machinery and equipment.

Should the proposed definition be adopted, it will not come into force until the definition of linear property is repealed in the Municipal Government Act.

***It is proposed that the definition provided above be adopted as the definition for an "oil and gas system".***



## DEFINITION OF 'OTHER INDUSTRIAL SYSTEM'

The following definition of other industrial system includes all machinery and equipment not included in the following systems: electric power, oil and gas, telecommunication, or street lighting.



*"other industrial system" means property not including*

- i) an electric power system,*
- ii) an oil and gas system,*
- iii) a telecommunication system,*
- iv) a street lighting system, or*
- v) a parcel of land, buildings or a parcel of land and the buildings.*

This definition is intended to include all the manufacturing and processing components of the machinery and equipment definition presently contained in the Standards of Assessment Regulation 365/94.

***It is proposed that the definition provided above be adopted as the definition for "other industrial system".***

## DEFINITION OF 'RAILWAY SYSTEM'

The following definition of railway system is new:



*"railway system" means linear property and machinery and equipment intended for or used in connection with the operation, transportation or distribution of a railway car by a railway company, but does not include buildings.*

It is intended to provide an overall definition encompassing all components of a railway system.

Presently, railway is defined in section 284(1)(s) of the Municipal Government Act. All improvements and land associated with a railway are assessed according to a valuation standard for railway.

The MLA Industrial Review Committee recommended that properties that have the same type of utility or characteristics should be defined as one type of property. As a result, it is proposed that property included in the definition of a railway system be further defined into the categories of linear and machinery and equipment.

Should the proposed definition be adopted, it will not come into force until the definition of linear property is repealed in the Municipal Government Act.

***It is proposed that the definition provided above be adopted as the definition for "railway system".***





## DEFINITION OF 'RAILWAY COMPANY'

The following definition for railway company is new:



*"railway company" means every railway company owning or operating a railway in Alberta whether the head office is situated in Alberta or elsewhere, and but does not include a street railway or tramway.*

This definition is provided to clarify the application of the definition of railway system. The definition for railway company specifically notes that street railway or tramway is not included in a railway system.

***It is proposed that the definition provided above be adopted as the definition for "railway company".***

## DEFINITION OF 'STREET LIGHTING SYSTEM'

The following definition of street lighting system is new:



*"street lighting system" means linear property and machinery and equipment used exclusively to supply illumination on roads.*

It is intended to provide an overall definition encompassing all components of a street lighting system. Street lighting system is further defined in the Minister's Guidelines for either linear property or machinery and equipment.

Should the proposed definition be adopted, it will not come into force until the definition of linear property is repealed in the Municipal Government Act.

***It is proposed that the definition provided above be adopted as the definition for "street lighting system".***



## DEFINITION OF 'TELECOMMUNICATION SYSTEM'

The following definition of telecommunication system is new:



*"telecommunication system" means linear property and machinery and equipment intended for or used in connection with the transmission, distribution, manipulation, emission or reception of signs, signals, writings, images, sounds, data, messages or intelligence of any nature by wire, radio-communications, cables, computers, waves or any electronic, electromagnetic or optical means, but does not include a parcel of land, buildings, or a parcel of land and the buildings.*

It is intended to provide an overall definition encompassing all components of a telecommunication system. Telecommunication system is further defined in the Minister's Guidelines for either linear property or machinery and equipment.

Should the proposed definition be adopted, it will not come into force until the definition of linear property is repealed in the Municipal Government Act.

***It is proposed that the definition provided above be adopted as the definition for "telecommunication system".***

## DEFINITION OF 'WELL-SITE LEASE INTEREST'

The following proposed definition for well-site lease interest is new:



*"well-site lease interest" means the legal interest in the land that forms the site of a well registered at the Alberta Energy Utilities Board.*

The definition was created to differentiate this type of property from oil and gas linear property. This differentiation was necessary as the assessed value for well-site lease interest is prescribed in the Linear Property Assessment Minister's Guidelines. This is further discussed in the section on the valuation standard for linear property in this consultation document.

***It is proposed that the definition provided above be adopted as the definition for "well-site lease interest".***



## DEFINITION OF 'LINEAR PROPERTY'

Linear property is defined in section 284(1)(k) of the Municipal Government Act. The following proposed linear property definition is intended to include all the linear property of the following systems: electrical power, oil and gas, railway, street lighting, telecommunication, and well-site lease interest.



*"linear property" means industrial property of every kind not used in manufacturing and processing as may be prescribed by the Minister in the Alberta Linear Property Assessment Minister's Guidelines.*

Linear property will be further defined in the Alberta Linear Property Assessment Minister's Guidelines.

Should the proposed definition be adopted, it will not come into force until the definition of linear property is repealed in the Municipal Government Act.

***It is proposed that the definition provided above be adopted as the definition for "linear property".***

## DEFINITION OF 'MACHINERY AND EQUIPMENT'

Machinery and equipment is presently defined in the Standards of Assessment Regulation 365/94.

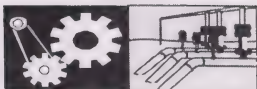
The proposed machinery and equipment definition is intended to include all machinery and equipment of the following systems: electrical power, oil and gas, other industrial property, railway, street lighting and telecommunication.

Machinery and equipment will be further defined in the Machinery and Equipment Assessment Minister's Guidelines. A suggested definition in the proposed consolidated regulation is worded as follows:



*"machinery and equipment" means industrial property intended to be used for or in conjunction with manufacturing and processing as may be prescribed by the Minister in the Minister's Guidelines.*

***It is proposed that the definition provided above be adopted as the definition for "machinery and equipment".***





## REGULATORY AMENDMENTS

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### VALUATION STANDARD FOR A PARCEL OF LAND AND IMPROVEMENTS

Section 5 of the proposed consolidated regulation contains the valuation standard for a parcel of land and improvements.



5(1) When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvements is market value unless

- (a) the land is a parcel used for farming operations, in which case the valuation standard in section 3(1)(b) applies to the land, and
- (b) unless the improvement is linear property or machinery and equipment, in which case the valuation standard in sections 5 or 6, as the case may be, applies to the improvement.

As railway is to be valued as either linear property or machinery and equipment, it is proposed that railway be removed from section 5(1)(b).

***It is proposed that railway be removed from the valuation standard for a parcel of land and improvements.***

### VALUATION STANDARD FOR LINEAR PROPERTY

The valuation standard for linear property presently in the Standards of Assessment Regulation 365/94 is in section 6(1)(2) of the consolidated regulation.



**6(1)** *The valuation standard for linear property is that calculated in accordance with the procedures referred to in subsection (2).*

**(2)** *In preparing an assessment for linear property, the assessor must follow the procedures set out in the Alberta Linear Property Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.*

Linear property is to be assessed according to the procedures set out in the Alberta Linear Property Assessment Minister's Guidelines.

***Due to its continuing relevance, it is proposed that the current valuation standard for linear property be maintained.***



It is proposed that the following subsection be added to the valuation standard for linear property:



*6(3) In preparing an assessment for a well-site lease interest, the assessor must determine the increase in market value, to the land, to the owner of the land that is attributable to the existence of a well as outlined in the definition of well-site lease interest. The assessor must follow the procedures set out in the Alberta Linear Property Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.*

The Alberta Linear Property Assessment Minister's Guidelines contain a regulated value for well-site lease interests. The proposed new subsection is necessary to direct assessors to the Alberta Linear Property Assessment Minister's Guidelines for the assessment of well-site lease interests.

***It is proposed that a subsection be added to the valuation standard for linear property to direct assessors to the Alberta Linear Property Assessment Minister's Guidelines for the assessment of well-site lease interests.***

#### **LINEAR PROPERTY TAX RATE REPEALED**

It is proposed that the calculation of linear property tax be repealed. The section is presently part of the Linear Property Tax Rate Regulation 369/94.

It is proposed that the section be repealed as it has become irrelevant. Section 297(4)(b) of the Municipal Government Act provides a definition for the non-residential property class. Non-residential includes linear property.

The non-residential tax rate is applied to linear property. As such, a special calculation to determine the tax rate for linear property is unnecessary.

***It is proposed that the linear property tax rate not be continued as part of the proposed consolidated regulation.***



## STATUTORY ASSESSMENT LEVEL

The MLA Industrial Review Committee recommended that all machinery and equipment should be assessed at a level of 100 percent rather than 77 percent as currently regulated. The Committee believed that tax policy should be applied to taxes rather than to assessment.



*2(1) For the purposes of section 298(y) and (z) of the Act, an assessment must be prepared for the following property...*

*(b) machinery and equipment that is part of linear property described in section 284(1)(k) of the Act and defined in this regulation.*

*(2) An assessment must be prepared for machinery and equipment other than that referred to in subsection (1)(b), but the assessment must reflect 100% of its value.*

***It is proposed that the statutory assessment level for machinery and equipment be raised from 77 percent to 100 percent.***

## VALUATION STANDARD FOR MACHINERY AND EQUIPMENT

Machinery and equipment will continue to be assessed according to the procedures set out in the Alberta Machinery and Equipment Assessment Minister's Guidelines. The current wording is as follows:



*7(1) The valuation standard for machinery and equipment is that calculated in accordance with the procedures referred to in subsection (2).*

*(2) In preparing an assessment for machinery and equipment, the assessor must follow the procedures set out in the Alberta Machinery and Equipment Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.*

***It is proposed that the valuation standard for machinery and equipment be maintained as it currently exists in the Standards of Assessment Regulation 365/94.***







## **PROPOSED CONSOLIDATION OF ASSESSMENT AND TAXATION REGULATIONS STAKEHOLDER COMMENTS - INDUSTRIAL PROPERTY TOPICS**

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Respondent: \_\_\_\_\_

Position: \_\_\_\_\_

Representing: \_\_\_\_\_

**Do you agree with the proposed definitions for the following terms? If not, why?**

1. Industrial property

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2. Industrial property subject to the regulatory authority

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3. Electric power system

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4. Oil and gas system

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5. Other industrial system

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6. Railway system

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7. Railway company

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8. Street lighting system

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9. Telecommunication system

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10. Well-site lease interest

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11. Linear property

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12. Machinery and equipment

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**Please provide your comments to the following questions:**

13. Should railway be removed from the current valuation standard for a parcel of land and improvements? If not, why?

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14. Should the current valuation standard for linear property be maintained? If not, why?

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15. Should well-site lease interest be added to the valuation standard for linear property? If not, why?

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16. Should linear property tax rate be repealed? If not, why?

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17. Should the statutory assessment level for machinery and equipment be raised from 77 percent to 100 percent? If not, why?

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18. Should the current valuation standard for machinery and equipment be maintained? If not, why?

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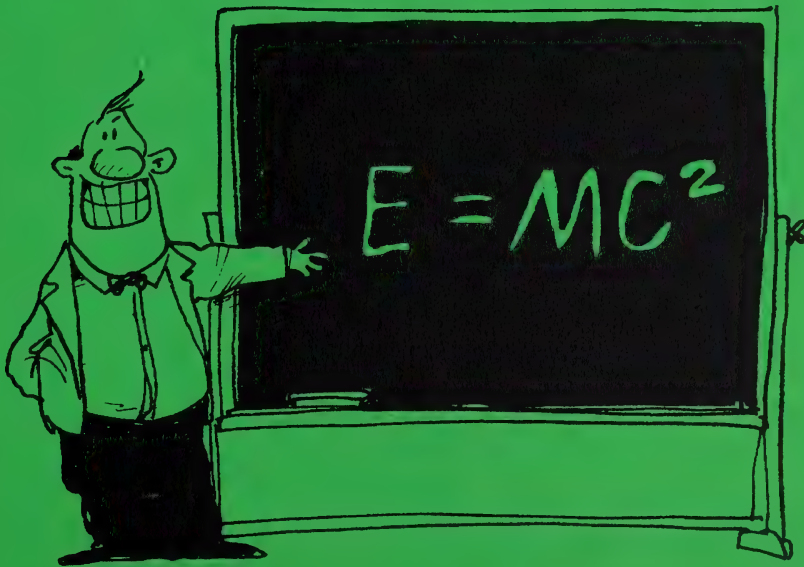
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# Equalized Assessment







# EQUALIZED ASSESSMENT

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## BACKGROUND INFORMATION

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The former Minister of Municipal Affairs initiated the Education Tax Review MLA Committee in March of 1999. The purpose of the MLA Committee is to review existing policy and structures and make recommendations on improvements to the current education property tax system.

The MLA Committee is still in the process of reviewing the present system and possible options. As no final decision has been made to date, the Assessment Equalization Regulation 366/94 is included in the proposed consolidated regulation with only minor amendments.

## REGULATORY SECTIONS

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### INFORMATION PROVIDED BY MUNICIPALITY UNDER SECTION 319(1) OF THE ACT

Section 15 of this proposed consolidated regulation is presently part of the Assessment Equalization Regulation 366/94. This section outlines how the Minister is to deal with information provided by a municipality under section 319(1) of the Municipal Government Act, it is worded as follows:



*15(1) On receiving information from a municipality pursuant to section 319(1) of the Act, the Minister must assess the information and determine if the information is acceptable.*

*(2) If the Minister determines that the information is acceptable, the Minister may use and rely on the information when preparing the equalized assessment for the municipality,*

*(3) If the Minister determines that the information is not acceptable, the Minister must prepare the equalized assessment using whatever information is available about the municipality,*

*(4) The information provided pursuant to section 319(1) of the Act must include assessment levels.*

***Due to its continued relevance, it is proposed that section 15 be maintained as it presently exists in the Assessment Equalization Regulation 366/94.***



## PREPARATION OF EQUALIZED ASSESSMENT

Section 16 is presently part of the Assessment Equalization Regulation 366/94. This section outlines the manner in which an equalized assessment is prepared.



16(1) *In this section, “regulated property” means property in respect of which an assessment is prepared using the valuation standard referred to in section 4(1)(b), 5, 6 or 7 of the of this Regulation.*

(2) *In preparing the equalized assessment for a municipality,*

- (a) *the assessments for regulated property, reported in accordance with section 319(1) of the Act or derived from information in accordance with section 319(2) of the Act or section 15 of this Regulation, must be adjusted to reflect a common year by applying factors that the Minister considers appropriate, and*
- (b) *the assessments for property other than regulated property, reported in accordance with section 319(1) of the Act or derived from information in accordance with section 319(2) of the Act or section 15(3) of this Regulation, must be adjusted in the manner the Minister considers appropriate*
  - (i) *to reflect a common year, and*
  - (ii) *to reflect an assessment level of 1.00.*

***Due to its continued relevance, it is proposed that section 16 be maintained as it presently exists in the Assessment Equalization Regulation 366/94.***

## LIMIT ON THE INCREASES IN EQUALIZED ASSESSMENTS

Section 17 is presently part of the Assessment Equalization Regulation 366/94.



17 *Pursuant to section 325 of the Act, the Minister may by order limit the amount by which equalized assessments for any class of property listed in section 297 of the Act may increase from one year to the next.*

***Due to its continued relevance, it is proposed that the first provision of section 17 be maintained as it presently exists in the Assessment Equalization Regulation 366/94.***





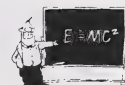
## CITY OF LLOYDMINSTER

Section 18 is currently part of the Assessment Equalization Regulation 366/94. It outlines the manner in which an equalized assessment must be prepared for the City of Lloydminster.



18      *The equalized assessment for the portion of the City of Lloydminster that is in Alberta must reflect assessments as if they were prepared in accordance with the Act.*

***Due to its continued relevance, it is proposed that section 18 be maintained as it presently exists in the Assessment Equalization Regulation 366/94.***





## PROPOSED CONSOLIDATION OF ASSESSMENT AND TAXATION REGULATIONS

### STAKEHOLDER COMMENTS - EQUALIZED ASSESSMENT

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Respondent: \_\_\_\_\_

Position: \_\_\_\_\_

Representing: \_\_\_\_\_

**Please provide your comments to the following questions:**

1. Should the provision outlining the information provided by a municipality to the Minister be maintained as it currently reads? If not, why?

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2. Should the provision outlining the manner in which equalized assessments are prepared be maintained as it currently reads? If not, why?

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3. Should the provision outlining limits on increase in equalized assessments be maintained as it currently reads? If not, why?

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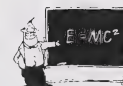
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4. Should the provision, outlining the manner in which an equalized assessment for the City of Lloydminster is prepared, be maintained as it currently reads? If not, why?

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# General Topics, Expiry, Transition & Coming into Force





## **GENERAL TOPICS, EXPIRY, TRANSITION AND COMING INTO FORCE**

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### **BACKGROUND INFORMATION**

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A number of definitions and regulatory sections of the proposed consolidated regulation are included without any changes to them. These definitions and sections are noted below.

Additionally, the expiry, transition, and coming into force sections of the proposed consolidated regulation are also provided below.

### **DEFINITIONS**

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Due to their continued relevance, the definitions for the following terms will be maintained, unchanged, at this time:

- "assessment level"
- "assessment ratio"
- "assessment year"
- "mass appraisal"
- "overall ratio"

Definitions for these terms may be found in Appendix 1.

### **CONTINUED PROVISIONS**

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Due to their continued relevance, the following sections will be maintained, unchanged, at this time:

- Section 9           Assessment based on July 1 value of property
- Section 10       Quality standards
- Section 11       Mass Appraisal
- Section 12       Duty to record information
- Section 13       Duty to provide information to Minister

## EXPIRY

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If adopted, the proposed consolidated regulation will expire on December 31, 2004.



19 For the purpose of ensuring that this Regulation is reviewed for ongoing relevance and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires December 31, 2004.

## TRANSITION

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A number of the definitions proposed in this proposed consolidated regulation are presently included in the Municipal Government Act. If these definitions are adopted, they will not come into force until the corresponding definition is repealed from the Municipal Government Act. This transition is outlined in the following section 20:



20 Definitions in section 1 (f)(j)(k)(l)(n)(o)(s)(t)(u) and (w) come into force upon repeal of corresponding definitions in the Act.

## REPEAL

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The provisions of the following regulations, with the exception of those sections noted in section 20, will be repealed upon the consolidated regulation coming into force: Standards of Assessment Regulation, Assessment Equalization Regulation, Assessable Property Regulation, Property Tax Exemption Regulation and Linear Property Tax Rate Regulation.



21 The Standards of Assessment Regulation (AR 365/94), Assessment Equalization Regulation (AR 366/94), Assessable Property Regulation (AR 367/94), Property Tax Exemption Regulation (368/94) and Linear Property Tax Rate Regulation (AR 369/94), except for the sections noted in section 20 of this regulation, are repealed.

## COMING INTO FORCE

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It is proposed that the proposed consolidated regulation will come into force on December 31, 1999.



22 This Regulation comes into force on December 31, 1999

# Appendix I





**ASSESSMENT and TAXATION REGULATION CONSOLIDATION**

*Municipal Services Branch Draft*

*For Discussion Purposes Only*

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**Schedules**

1. In this Regulation,

- (a) “Act” means the *Municipal Government Act*;
- (b) “agricultural use value” means the value of a parcel of land based exclusively on its use for farming operations;
- (c) “assessment level” for a specified group of properties means the overall ratio of assessments to indicators of market value;
- (d) “assessment ratio” has the meaning given to it in Schedule 1 of this regulation;
- (e) “assessment year” means the year in which assessments are prepared for property in a municipality to be used for taxation in the following year;
- (f) “electric power system” means linear property and machinery and equipment intended for or used in connection with the generation, transmission, or distribution of electricity, but does not include
  - (i) linear property or machinery and equipment installed in and owned by the owner of a building to which the electric power services are being supplied, or
  - (ii) a parcel of land, buildings, or a parcel of land and the buildings;
- (g) “farm building” means any improvement other than a residence, to the extent it is used for farming operations;
- (h) “farming operations” means the raising or production of primary agricultural commodities on a for profit basis and includes such raising or production by non-profit organization or the Crown whether the commodities are sold for profit or other consideration including
  - (i) field crops in their unprocessed state,
  - (ii) including sod, horticulture, silviculture, flowers and nursery stock in bulk or unpackaged lots,
  - (iii) fish farming and bee keeping with all production sold in its raw, ungraded and/or unprocessed state,
  - (iv) the raising of livestock as defined in the Livestock and Livestock Products Act in a live condition and the production of livestock products including milk, pregnant mare urine, antler, embryos and semen production,  
but does not include property used for the maintenance of livestock or other animals for recreational purposes;
  - (v) woodlots on a parcel, or designated part of a parcel, of land for which an approved management plan has been prepared by an Alberta registered forest practitioner as defined under the Forestry Profession Act and implemented solely for the sustainable production of timber and marketed as whole logs,
  - (vi) the storage of
    - (A) primary agricultural commodities on property held by the person carrying out the farming operations,
    - (B) the storage, on property held by the farm operator, of production inputs, including farm machinery required for the production of primary agricultural commodities and any action required for their storage at industry standards,  
but does not include property used for the storage and/or distribution of any commodity that has been awarded a grade standard,
  - (vii) any property to the extent it is used to ensure an industry standard action for the sole purpose of
    - (A) maintaining product quality of a primary agricultural commodity,
    - (B) producing silage from forage,  
but does not include the compacting and or packaging of any forage commodity to a density of greater than 20 pounds per cubic foot,  
but does not include the use of a property to the extent it is used for:
      - (A) the retailing of goods or services for a fee or other consideration,
      - (B) the grading by awarding a quality standard established pursuant to an Act or Regulation of Alberta or Canada pertaining to the specific agricultural

commodity, processing or packaging of a primary agricultural commodity for the domestic or export market.

(C) the purchase and resale of primary agricultural commodities by a licenced agricultural commodity dealer,

(i) “industrial property” means

- (i) an electric power system,
- (ii) an oil and gas system,
- (iii) an other industrial system,
- (iv) a railway system,
- (v) a street light system,
- (vi) a telecommunication system, and
- (vii) a well-site lease interest,

, whether or not the industrial property is affixed to the land in such a manner that it would be transferred with out special mention by a transfer or sale of the land;

(j) “industrial property subject to the regulatory authority” means any part of

- (i) industrial property owned or operated by a person whose rates are controlled or set by the Public Utilities Board or by a municipality or under the Small Power Research and Development Act, or
- (ii) industrial property owned or operated by a company as defined in Part 3 of the Telecommunications Act or that are subject to the regulatory authority of the Canadian Radio-Television and Communications Commission or any successor or the Commission.

(k) “linear property” means industrial property of every kind not used in manufacturing and processing as may be prescribed by the Minister in the Alberta Linear Property Assessment Minister’s Guidelines;

(l) “machinery and equipment” means industrial property intended to be used for or in conjunction with manufacturing and processing as may be prescribed by the Minister in the Minister’s Guidelines;

(m) “mass appraisal” means the process of preparing assessments for a group of properties using standard methods and common data and allowing for statistical testing;

(n) “oil and gas system” means linear property and machinery and equipment intended for or used in connection with the production, gathering, transmission or distribution of oil, gas, coal, oil sands, and natural resources, but does not include a parcel of land, buildings, or a parcel of land and the buildings;

(o) “other industrial system” means property not including

- (i) an electric power system,
- (ii) an oil and gas system,
- (iii) a telecommunication system,
- (iv) a street lighting system, or
- (v) a parcel of land, buildings or a parcel of land and the buildings;

(p) “overall ratio” means the weighted ratio for a group of properties, calculated using the median assessment ratios for subgroups of properties within that group;

(q) “owner”, in respect of a parcel of land for the purpose of Part 4 of this regulation, means

- (i) the person who is registered under the *Land Titles Act* as the owner of the fee simple estate in the parcel or the spouse of that person,
- (ii) a person who holds the parcel under a lease, licence or permit from
  - (A) the federal crown;
  - (B) the provincial crown; or
  - (C) the municipal crown;

- or a person who occupies the parcel with the consent of that holder, and
- (iii) a person who is purchasing the parcel from the person referred to in subclause (i);
- (r) “railway company” means every railway company owning or operating a railway in Alberta whether the head office is situated in Alberta or elsewhere but does not include a street railway or tramway.
- (s) “railway system” means linear property and machinery and equipment intended for or used in connection with the operation, transportation or distribution of a railway car by a railway company, but does not include buildings;
- (t) “street lighting system” means linear property and machinery and equipment used exclusively to supply illumination on roads;
- (u) “telecommunication system” means linear property and machinery and equipment intended for or used in connection with the transmission, distribution, manipulation, emission or reception of signs, signals, writings, images, sounds, data, messages or intelligence of any nature by wire, radio-communications, cables, computers, waves or any electronic, electromagnetic or optical means, but does not include a parcel of land, buildings or a parcel of land and the buildings.
- (v) “unit” means any number of parcels of land or parts of parcels, or both, that are owned by the same owner on December 31 of the year preceding the year in which the exemption in section 2 applies;
- (w) “well-site lease interest” means the legal interest in the land that forms the site of a well registered at the Alberta Energy Utilities Board;

## **Part 1**

### **Assessable Property**

- |                     |   |
|---------------------|---|
| Assessable property | <p>2(1) For the purposes of section 298(y) and (z) of the Act, an assessment must be prepared for the following property:</p> <ul style="list-style-type: none"> <li>(a) any farm building located in a city, urban service area of a specialized municipality, town, village or summer village;</li> <li>(b) machinery and equipment that is part of linear property described in section 284(1)(k) of the Act and defined in this regulation.</li> </ul> <p>(2) An assessment must be prepared for machinery and equipment other than that referred to in subsection (1)(b), but the assessment must reflect 100% of its value.</p> |
|---------------------|---|

## **Part 2**

### **Assessment Valuation Standards**

- |   |   |
|---|---|
| Valuation standard for a parcel of land | <p>3(1) The valuation standard for a parcel of land is:</p> <ul style="list-style-type: none"> <li>(a) market value;</li> <li>(b) if the parcel is used for farming operations, agricultural use value; or</li> <li>(c) unless the land is a parcel used for farming operations, in which case the valuation standard in section 3(1)(b) applies to the land.</li> </ul> <p>(2) In preparing an assessment for a parcel of land based on agricultural use value, the assessor must follow the procedures set out in the Alberta Farm Land Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.</p> <p>(3) Despite subsection (1)(b), the valuation standard for the following property is market value:</p> <ul style="list-style-type: none"> <li>(a) a parcel of land containing less than one acre;</li> <li>(b) a parcel of land containing at least one acre but not more than 3 acres that is used but not necessarily occupied for residential purposes or can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;</li> </ul> |
|---|---|



- (c) an area of 3 acres located within a larger parcel of land where any part of the larger parcel is used but not necessarily occupied for residential purposes;
- (d) an area of 3 acres that
  - (i) is located within a parcel of land, and
  - (ii) can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;
- (e) any area that
  - (i) is located within a parcel of land,
  - (ii) is used for commercial or industrial purposes, and
  - (iii) cannot be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;
- (f) an area of 3 acres or more that
  - (i) is located within a parcel of land,
  - (ii) is used for commercial or industrial purposes,
  - (iii) can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel, and
  - (iv) can be serviced by using water and sewer distribution lines located in the parcel of land.

(4) An area referred to in subsection (3)(c), (d), (e) or (f) must be assessed as if it is a parcel of land.

(5) The valuation standard for strata spaced, as defined in section 87 of the *Land Titles Act*, is market value.

Valuation standard for improvements

4(1) The valuation standard for improvements is:

- (a) the valuation standard set out in section 5, 6 or 7, for improvements referred to in those sections;
- (b) for other improvements, market value; or
- (c) unless the improvement is linear property or machinery and equipment, in which case the valuation standard in section 6 or 7, as the case may be, applies to the improvement.

(2) In preparing an assessment for a farm building, the assessor must determine its value based on its use for farming operations.

Valuation standard for a parcel of land and improvements

5(1) When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvements is market value unless

- (a) the land is a parcel used for farming operations, in which case the valuation standard in section 3(1)(b) applies to the land, and
- (b) unless the improvement is linear property or machinery and equipment, in which case the valuation standard in sections 5 or 6, as the case may be, applies to the improvement.

Valuation standard for linear property

6(1) The valuation standard for linear property is that calculated in accordance with the procedures referred to in subsection (2).

(2) In preparing an assessment for linear property, the assessor must follow the procedures set out in the Alberta Linear Property Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.

(3) In preparing an assessment for a well-site lease interest, the assessor must determine the increase in market value, to the land to the owner of the land that is attributable to the

existence of a well as outlined in the definition of well-site lease interest. The assessor must follow the procedures set out in the Alberta Linear Property Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.

Valuation standard for machinery and equipment	<p>7(1) The valuation standard for machinery and equipment is that calculated in accordance with the procedures referred to in subsection (2).</p> <p>(2) In preparing an assessment for machinery and equipment, the assessor must follow the procedures set out in the Alberta Machinery and Equipment Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.</p>
Actions under the Municipal Government Act	<p>8 When a property is used for farming operations or residential purposes and an action is taken under Part 17 of the Act that has the effect of permitting or prescribing for that property some other use, the assessor must determine its value</p> <ul style="list-style-type: none"> <li>(a) in accordance with its residential use, for that part of the property that is occupied by the owner or the purchaser or the spouse or dependent of the owner or purchaser, and is used exclusively for residential purposes, or</li> <li>(b) based on agricultural value, if the property is used for farming operations, unless section 3(3) applies.</li> </ul>
Assessment based on July 1 value of property	<p>9 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1, of the assessment year, but must reflect the characteristics and conditions set out in the Municipal Government Act, sections 289 and 292.</p>
Quality standards	<p>10 Assessments for property other than</p> <ul style="list-style-type: none"> <li>(a) land, based on agricultural use value,</li> <li>(b) railway,</li> <li>(c) linear property, and</li> <li>(d) machinery and equipment</li> </ul> <p>must be prepared having regard to the quality standards required by Schedule 1.</p>
Mass appraisal	<p>11 An assessments of property based on market value</p> <ul style="list-style-type: none"> <li>(a) must be prepared using mass appraisal,</li> <li>(b) must be an estimate of the value of the fee simple estate in the property, and</li> <li>(c) must reflect typical market conditions for properties similar to that property.</li> </ul>
Duty to record information	<p>12 The assessor must keep a record of the information set out in Schedule 2 for each property, if applicable.</p>
Duty to provide information to Minister	<p>13 A municipality must provide to the Minister, in the manner required by the Minister, information and statistics about</p> <ul style="list-style-type: none"> <li>(a) the municipality,</li> <li>(b) similar properties in the municipality, and</li> <li>(c) including the list of assessors and the designated assessor as prescribed in the regulation.</li> </ul>

### **Part 3**

#### **Linear Property Tax Rate**

#### **Repealed**

## Part 4

### Farm Property Tax Exemption

Exemptions from property tax

14(1) The following are exempt from taxation under Division 2 of Part 10 of the Act:

- (a) one residence in a unit, if the residence is
    - (i) situated in a county, municipal district, improvement district or special area, and
    - (ii) situated on a parcel of not less than one acre,to the extent of the assessment, based on agricultural use value, for the land in the unit, to a maximum of \$61,540;
  - (b) each additional residence in the unit, if the residence is
    - (i) situated in a county, municipal district, improvement district or special area,
    - (ii) situated on a parcel of not less than one acre, and
    - (iii) used chiefly in connection with farming operations,to the extent of the assessment, based on agricultural use value, for the land in the unit that remains after the exemption is made under clause (a), to a maximum of \$30,770 for each residence;
  - (c) any farm building in a city, town, urban service area of a specialized municipality, village or summer village, to the extent of (50%, 40%, 30%, 20%, 10%, 0%??) of its assessment.
- (2) A council may by bylaw make any property that is exempt from taxation under subsection (1)(c) subject to taxation to any extent the council considers appropriate.
- (3) A council proposing to pass a bylaw under subsection (2) must notify, in writing, any person or group that will be affected of the proposed bylaw.
- (4) A bylaw under subsection (2) has no effect until one year after it is passed.

## Part 5

### Assessment Equalization

Information provided by municipality under section 319(1) of the Act

- 15(1) On receiving information from a municipality pursuant to section 319(1) of the Act, the Minister must assess the information and determine if the information is acceptable.
- (2) If the Minister determines that the information is acceptable, the Minister may use and rely on the information when preparing the equalized assessment for the municipality,
- (3) If the Minister determines that the information is not acceptable, the Minister must prepare the equalized assessment using whatever information is available about the municipality,
- (4) The information provided pursuant to section 319(1) of the Act must include assessment levels.

Preparation of equalized assessment

- 16(1) In this section, “regulated property” means property in respect of which an assessment is prepared using the valuation standard referred to in section 4(1)(b), 5, 6 or 7 of this Regulation.
- (2) In preparing the equalized assessment for a municipality,
- (a) the assessments for regulated property, reported in accordance with section 319(1) of the Act or derived from information in accordance with section 319(2) of the Act or section 15 of this Regulation, must be adjusted to reflect a common year by applying factors that the Minister considers appropriate, and
  - (b) the assessments for property other than regulated property, reported in accordance

with section 319(1) of the Act or derived from information in accordance with section 319(2) of the Act or section 15(3) of this Regulation, must be adjusted in the manner the Minister considers appropriate

(i) to reflect a common year, and

(ii) to reflect an assessment level of 1.00.

Limit on increases in  
equalized assessments

17 Pursuant to section 325 of the Act, the Minister may by order limit the amount by which equalized assessments for any class of property listed in section 297 of the Act may increase from one year to the next.

City of Lloydminster

18 The equalized assessment for the portion of the City of Lloydminster that is in Alberta must reflect assessments as if they were prepared in accordance with the Act.

## **Part 6**

### **Expiry/Transition**

Expiry/Transition

19 For the purpose of ensuring that this Regulation is reviewed for ongoing relevance and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires December 31, 2004.

20 Definitions in section 1 (f)(j)(k)(l)(n)(o)(s)(t)(u) and (w) come into force upon repeal of corresponding definitions in the Act.

Repeal

21 The Standards of Assessment Regulation (AR 365/94), Assessment Equalization Regulation (AR 366/94), Assessable Property Regulation (AR 367/94), Property Tax Exemption Regulation (368/94) and Linear Property Tax Rate Regulation (AR 369/94), except for the sections noted in section 20 of this regulation, are repealed.

Coming into force

22 This Regulation comes into force on December 31, 1999.



**SCHEDULE 1**  
**QUALITY STANDARDS**

- 1 In this Schedule,
- (a) "assessment level" for a specified group of properties means the overall ratio of assessments to indicators of market value;
  - (a.1) "assessment ratio" means the ratio of the assessment to an indicator of market value for a property;
  - (b) "coefficient of dispersion" means the average percentage deviation of the assessment ratios from the median assessment ratio;
  - (c) "median assessment ratio" means the middle assessment ratio when the assessment ratios for a group of properties are arranged in order of magnitude;
  - (d) "property" means property other than
    - (i) land, where the assessment is based on agricultural use value,
    - (ii) linear property, and
    - (iii) machinery and equipment.

- 2 The following quality standards must be met in the preparation of assessments of property:

PROPERTY TYPE	MEDIAN ASSESSMENT RATIO	COEFFICIENT OF DISPERSION
Residential	.90 - 1.10	0 - 15.0
Income properties		
Cities	.90 - 1.10	0 - 20.0
Other municipalities	.90 - 1.10	0 - 20.0
Vacant property	.90 - 1.10	0 - 20.0

- 3 The median assessment ratio of any group must be within 5% of the assessment level.

## **SCHEDULE 2**

### **INFORMATION TO BE RECORDED**

- 1 For each parcel of land - legal description, Land Identification Numeric Code (LINC), parcel size, land use bylaw code and actual use.
- 2 For each improvement - quality rating, classification, size, effective year built and condition.
- 3 For a sale - certificate of title, sale price, adjustments and sale date.
- 4 Assessor appointed and qualifications.

# Appendix 2





(Consolidated up to 282/98)

**ALBERTA REGULATION 365/94**  
**Municipal Government Act**  
**STANDARDS OF ASSESSMENT REGULATION**

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Definitions

**1** In this Regulation,

- (a) "Act" means the *Municipal Government Act*, SA 1994 cM-26.1;
- (b) "agricultural use value" means the value of a parcel of land based exclusively on its use for farming operations;
- (c) "assessment year" means the year in which assessments are prepared for property in a municipality to be used for taxation in the following year;
- (d) repealed AR 282/98 s2;
- (e) "farming operations" means the raising, production and sale of agricultural products and includes
  - (i) horticulture, aviculture, apiculture and aquiculture,
  - (ii) the production of livestock as defined in the *Livestock and Livestock Products Act*, and
  - (iii) the planting, growing and sale of sod;
- (f) "farm building" means any improvement other than a residence, to the extent it is used for farming operations;
- (g) "machinery and equipment" means materials, devices, fittings, installations, appliances, apparatus and tanks other than tanks used exclusively for storage, including supporting foundations and footings and any other thing prescribed by the Minister that forms an integral part of an operational unit intended for or used in
  - (i) manufacturing,

- (ii) processing,
- (iii) the production or transmission by pipeline of natural resources or products or byproducts of that production, but not including pipeline that fits within the definition of linear property in section 284(k)(iii) of the Act,
- (iv) the excavation or transportation of coal or oil sands, as defined in the *Oil Sands Conservation Act*,
- (v) a telecommunications system, or
- (vi) an electric power system,

whether or not the materials, devices, fittings, installations, appliances, apparatus, tanks, foundations, footings or other things are affixed to land in such a manner that they would be transferred without special mention by a transfer or sale of the land;

- (h) "mass appraisal" means the process of preparing assessments for a group of properties using standard methods and common data and allowing for statistical testing.

AR 365/94 s1;282/98

Valuation  
standard for a  
parcel of land

**2(1)** The valuation standard for a parcel of land is

- (a) market value, or
- (b) if the parcel is used for farming operations, agricultural use value.

(2) In preparing an assessment for a parcel of land based on agricultural use value, the assessor must follow the procedures set out in the Alberta Farm Land Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.

(3) Despite subsection (1)(b), the valuation standard for the following property is market value:

- (a) a parcel of land containing less than one acre;
- (b) a parcel of land containing at least one acre but not more than 3 acres that is used but not necessarily occupied for residential purposes or can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;
- (c) an area of 3 acres located within a larger parcel of land where any part of the larger parcel is used but not necessarily occupied for residential purposes;
- (d) an area of 3 acres that
  - (i) is located within a parcel of land, and
  - (ii) can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;

## STANDARDS OF ASSESSMENT

(e) any area that

- (i) is located within a parcel of land,
- (ii) is used for commercial or industrial purposes, and
- (iii) cannot be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel;

(f) an area of 3 acres or more that

- (i) is located within a parcel of land,
- (ii) is used for commercial or industrial purposes, and
- (iii) can be serviced by using water and sewer distribution lines located in land that is adjacent to the parcel.

(4) An area referred to in subsection (3)(c), (d), (e) or (f) must be assessed as if it is a parcel of land.

(5) The valuation standard for strata space, as defined in section 87 of the *Land Titles Act*, is market value.

AR 365/98 s2;282/98

Valuation  
standard for  
improvements

**3(1)** The valuation standard for improvements is

- (a) the valuation standard set out in section 5, 6 or 7, for the improvements referred to in those sections, or
- (b) for other improvements, market value.

(2) Repealed AR 282/98 s4.

(3) In preparing an assessment for a farm building, the assessor must determine its value based on its use for farming operations.

AR 365/94 s3;282/98

**4** Repealed AR 282/98 s5.

Valuation  
standard for  
railway

**5(1)** The valuation standard for railway is the value determined in accordance with Schedule 1.

(2) Each rail company must report the type and length of line in each municipality annually to the designated assessor.

AR 365/94 s5; 313/96

Valuation  
standard for  
linear property

**6(1)** The valuation standard for linear property is that calculated in accordance with the procedures referred to in subsection (2).

(2) In preparing an assessment for linear property, the assessor must follow the procedures set out in the Alberta Linear Property Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.

AR 365/94 s6;313/96;290/97

Valuation  
standard for  
machinery and  
equipment

**7(1)** The valuation standard for machinery and equipment is that calculated in accordance with the procedures referred to in subsection (2).

(2) In preparing an assessment for machinery and equipment, the assessor must follow the procedures set out in the Alberta Machinery and Equipment Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.

(3) The assessor must elect to comply with Appendix III or Appendix IV to the guidelines referred to in subsection (2) and on making the election must prepare all assessments for machinery and equipment in the municipality in accordance with that election.

(4) Where the assessor elects to comply with Appendix III to the guidelines referred to in subsection (2), the assessor must notify the Minister of that election.

(5) Subsections (3) and (4) have no effect after December 31, 1999.  
AR 365/94 s7;282/98

Valuation  
standard for a  
parcel and  
improvements

**7.1** When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvements is market value

(a) unless the land is a parcel used for farming operations, in which case the valuation standard in section 2(1)(b) applies to the land, and

(b) unless the improvement is railway, linear property or machinery and equipment, in which case the valuation standard in section 5, 6 or 7, as the case may be, applies to the improvement.

AR 282/98 s7

Actions under  
the Municipal  
Government  
Act

**8** When a property is used for farming operations or residential purposes and an action is taken under Part 17 of the Act that has the effect of permitting or prescribing for that property some other use, the assessor must determine its value

(a) in accordance with its residential use, for that part of the property that is occupied by the owner or the purchaser or the spouse or dependant of the owner or purchaser, and is used exclusively for residential purposes, or

(b) based on agricultural use value, if the property is used for farming operations, unless section 2(3) applies.

AR 365/94 s8;290/97;282/98

Assessment  
based on July  
1 value of  
property

**9** Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.

Quality  
standards

**10** Assessments for property other than

(a) land, based on agricultural use value,

(b) railway,

(c) linear property, and



(d) machinery and equipment

must be prepared having regard to the quality standards required by Schedule 2.

**Mass appraisal 11** An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

AR 365/94 s11;282/98

**Duty to record information 12** The assessor must keep a record of the information set out in Schedule 3 for each property, if applicable.

**Duty to provide information to Minister 13** A municipality must provide to the Minister, in the manner required by the Minister, information and statistics about

- (a) the municipality, and
- (b) similar properties in the municipality.

**Coming into force 14** This Regulation comes into force on January 1, 1995.

## SCHEDULE 1

### VALUATION STANDARD FOR RAILWAY

**1** The valuation standard for railway is \$391 000 per kilometre, as adjusted by

- (a) firstly, multiplying the valuation standard by the applicable assessment year modifier, and
- (b) secondly, multiplying the product of the valuation standard and the applicable assessment year modifier by the applicable factor for the applicable annual traffic:

<u>ASSESSMENT YEAR</u>	<u>MODIFIER</u>
1995	1.00
1996	1.00
1997	1.00
1998	1.00

<u>AVERAGE ANNUAL TRAFFIC</u>	<u>FACTOR</u>
Type 1 More than 25 million tonnes	0.400
Type 2 More than 15 million tonnes to a maximum of 25 million tonnes	0.300
Type 3 More than 7 million tonnes to a maximum of 15 million tonnes	0.150
Type 4 More than 3 million tonnes to a maximum of 7 million tonnes	0.040
Type 5 More than 1 million tonnes to a maximum of 3 million tonnes	0.030
Type 6 Up to 1 million tonnes	0.025
Type 7 Abandoned rail line or zero tonnes	0.010
Type 8 Spur line on station ground, private land or marshalling or maintaining yards	0.020*

\*Indicates rail value only. Land is valued separately.

AR 365/94 Sched.1;313/96

## SCHEDULE 2

### QUALITY STANDARDS

#### 1 In this Schedule,

- (a) "assessment level" for a specified group of properties means the overall ratio of assessments to indicators of market value;
- (a.1) "assessment ratio" means the ratio of the assessment to an indicator of market value for a property;
- (b) "coefficient of dispersion" means the average percentage deviation of the assessment ratios from the median assessment ratio;
- (c) "median assessment ratio" means the middle assessment ratio when the assessment ratios for a group of properties are arranged in order of magnitude;
- (d) "property" means property other than
  - (i) land, where the assessment is based on agricultural use value,
  - (ii) railway,
  - (iii) linear property, and
  - (iv) machinery and equipment.

#### 2 The following quality standards must be met in the preparation of assessments of property:

## STANDARDS OF ASSESSMENT

PROPERTY TYPE	MEDIAN ASSESSMENT RATIO	COEFFICIENT OF DISPERSION
Residential	.90 - 1.10	0 - 15.0
Income properties		
Cities	.90 - 1.10	0 - 20.0
Other municipalities	.90 - 1.10	0 - 20.0
Vacant property	.90 - 1.10	0 - 20.0

**3** The median assessment ratio of any group must be within 5% of the assessment level.

AR 365/94 Sched.2:313/96

### SCHEDULE 3

#### INFORMATION TO BE RECORDED

- 1** For each parcel of land - legal description, parcel size, land use bylaw code and actual use
- 2** For each improvement - quality rating, classification, size, effective year built and condition
- 3** For a sale - certificate of title, sale price, adjustments and sale date





# Appendix 3



**ALBERTA REGULATION 366/94**  
**Municipal Government Act**  
**ASSESSMENT EQUALIZATION REGULATION**

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**Definitions**

**1 In this Regulation,**

- (a) "Act" means the *Municipal Government Act*, SA 1994 cM-26.1;
- (b) "assessment level" for a specified group of properties means the overall ratio of assessments to indicators of market value;
- (c) "assessment ratio" has the meaning given to it in Schedule 2 of the *Standards of Assessment Regulation* (Alta. 365/94);
- (d) "overall ratio" means the weighted ratio for a group of properties, calculated using the median assessment ratios for subgroups of properties within that group.

AR 366/94 s1;318/96;280/98

**Information provided by municipality under section 319(1) of the Act**

**1.1(1)** On receiving information from a municipality pursuant to section 319(1) of the Act, the Minister must assess the information and determine if the information is acceptable.

(2) If the Minister determines that the information is acceptable, the Minister may use and rely on the information when preparing the equalized assessment for the municipality.

(3) If the Minister determines that the information is not acceptable, the Minister must prepare the equalized assessment using whatever information is available about the municipality.

(4) The information provided pursuant to section 319(1) of the Act must include assessment levels.

AR 280/98 s3

**Preparation of equalized assessment**

**2(1)** In this section, "regulated property" means property in respect of which an assessment is prepared using the valuation standard referred to in section 2(1)(b), 5, 6 or 7 of the *Standards of Assessment Regulation* (AR 365/94).

(2) In preparing the equalized assessment for a municipality,

- (a) the assessments for regulated property, reported in accordance with section 319(1) of the Act or derived from information in accordance with section 319(2) of the Act or section 1.1(3) of this Regulation, must be adjusted to reflect

a common year by applying factors that the Minister considers appropriate, and

- (b) the assessments for property other than regulated property, reported in accordance with section 319(1) of the Act or derived from information in accordance with section 319(2) of the Act or section 1.1(3) of this Regulation, must be adjusted in the manner the Minister considers appropriate

(i) to reflect a common year,

(ii) to reflect an assessment level of 1.00, and

- (iii) to compensate for differences between the *Standards of Assessment Regulation* (AR 365/94) and the applicable assessment legislation and regulations that were in force when assessments were last prepared for all property in the municipality.

AR 366/94 s2;299/95;318/96;280/98

Limit on  
increases in  
equalized  
assessments

**2.1(1)** Pursuant to section 325 of the Act, the Minister may by order limit the amount by which equalized assessments for any class of property listed in section 297 of the Act may increase from one year to the next.

**(2)** Subsection (1) applies only to equalized assessments being prepared for 1999 or a subsequent year.

AR 318/96 s3;280/98

City of  
Lloydminster

**3** The equalized assessment for the portion of the City of Lloydminster that is in Alberta must reflect assessments as if they were prepared in accordance with the Act.

**4 and 5** Repealed AR 280/98 s6.

Coming into  
force

**6** This Regulation comes into force on January 1, 1995.

**SCHEDULE** Repealed AR 280/98 s7.



# Appendix 4



(no amdt)

## ALBERTA REGULATION 367/94

### Municipal Government Act (SA 1994 cM-26.1)

#### ASSESSABLE PROPERTY REGULATION

##### Definitions

##### **1** In this Regulation,

- (a) "Act" means the *Municipal Government Act*, SA 1994 cM-26.1;
- (b) "farm building" has the meaning given to it in the *Standards of Assessment Regulation* (Alta. Reg. 365/94);
- (c) "machinery and equipment" has the meaning given to it in the *Standards of Assessment Regulation* (Alta. Reg. 365/94).

##### Assessable property

##### **2(1)** For the purposes of section 298(y) and (z) of the Act, an assessment must be prepared for the following property:

- (a) any farm building located in a city, town, village or summer village;
  - (b) machinery and equipment that is part of linear property as described in section 284(k) of the Act.
- (2)** An assessment must be prepared for machinery and equipment other than that referred to in subsection (1)(b), but the assessment must reflect only 77% of its value.

##### Coming into force

##### **3** *This Regulation comes into force on January 1, 1995.*





# Appendix 5



(no amdt)

## ALBERTA REGULATION 368/94

### Municipal Government Act (SA 1994, cM-26.1)

#### PROPERTY TAX EXEMPTION REGULATION

##### Definitions

##### 1 In this Regulation,

- (a) "Act" means the *Municipal Government Act*, SA 1994, cM-26.1;
- (b) "agricultural use value" has the meaning given to it in the *Standards of Assessment Regulation* (Alta. Reg. 365/94);
- (c) "farm building" has the meaning given to it in the *Standards of Assessment Regulation* (Alta. Reg. 365/94);
- (d) "farming operations" has the meaning given to it in the *Standards of Assessment Regulation* (Alta. Reg. 365/94);
- (e) "owner", in respect of a parcel of land, means
  - (i) the person who is registered under the *Land Titles Act* as the owner of the fee simple estate in the parcel or the spouse of that person,
  - (ii) a person who holds the parcel under a lease, licence or permit from the Crown or a municipality or a person who occupies the parcel with the consent of that holder, and
  - (iii) a person who is purchasing the parcel from the person referred to in subclause (i);
- (f) "unit" means any number of parcels of land or parts of parcels, or both, that are owned by the same owner on December 31 of the year preceding the year in which the exemption in section 2 applies.

##### Exemptions from property tax

##### 2 The following are exempt from taxation under Division 2 of Part 10 of the Act:

- (a) one residence in a unit, if the residence is
  - (i) situated in a county, municipal district, improvement district or special area, and
  - (ii) situated on a parcel of not less than one acre,to the extent of the assessment, based on agricultural use value, for the land in the unit, to a maximum of \$61 540;
- (b) each additional residence in the unit, if the residence is
  - (i) situated in a county, municipal district, improvement district or special area,
  - (ii) situated on a parcel of not less than one acre, and

(iii) used chiefly in connection with farming operations,

to the extent of the assessment, based on agricultural use value, for the land in the unit that remains after the exemption is made under clause (a), to a maximum of \$30 770 for each additional residence;

(c) any farm building in a city, town, village or summer village, to the extent of 50% of its assessment.

Coming into  
force

**3** *This Regulation comes into force on January 1, 1995.*



# Appendix 6



(no amdt)

## ALBERTA REGULATION 369/94

### Municipal Government Act (SA 1994 cM-26.1)

#### LINEAR PROPERTY TAX RATE REGULATION

##### Definitions

##### **1** In this Regulation,

- (a) "Act" means the *Municipal Government Act*, SA 1994 cM-26.1;
- (b) "requisition" has the meaning given to it in section 326(a) of the Act;
- (c) "requisitioning authority" means
  - (i) a hospital district under the *Hospitals Act*;
  - (ii) a foundation established under the *Senior Citizens Housing Act* before July 1, 1994;
  - (iii) a management body established under the *Alberta Housing Act*;
  - (iv) a requisitioning body under an agreement with a municipality.

##### Calculation of tax rate

##### **2** On receiving a requisition from a requisitioning authority, a municipality must calculate the tax rate to be imposed on linear property

- (a) by determining the ratio of the equalized assessment for linear property to the equalized assessment for all property in each requisitioning authority in the municipality,
- (b) by multiplying the ratio determined under clause (a) by the total requisition for each requisitioning authority in the municipality,
- (c) by adding the amounts calculated under clause (b) for all requisitioning authorities in the municipality,
- (d) by dividing the amount calculated under clause (c) by the total assessment for linear property in the municipality, and
- (e) by multiplying the amount calculated under clause (d) by 1000.

##### Coming into force

##### **2** *This Regulation comes into force on January 1, 1995.*



# Appendix 7





# INDUSTRIAL PROPERTY

